



THE NEW DISCOUNTING PLAYBOOK

PART 2

Harness the new Black Friday opportunity



FEATURING:





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INTRODUCTION

Before you spend any more time on your Black Friday Cyber Monday (BFCM) strategy, there's something you need to know.

Consumers aren't as enamored with BFCM as you might think. Our research showed that they don't trust the integrity of the discounts or the brands that offer them.

60%

of consumers feel that BFCM discounts are never as good as they expect them to be

58%

say that the deals and offers launched over BFCM impacts their trust in brands

There's a high risk that if you rely solely on discounts this holiday season, your existing customers will feel underappreciated, with fading trust.

In turn, this will negatively impact the likelihood of them repeat purchasing. You could be left with a deficit that can't be covered by new customers who, having been attracted to you through discounts, have lower lifetime values. We uncovered this and a lot more findings about customer sentiment for BFCM in **part one of The discounting playbook available here.**

But, from our research, we now know there are many ways to prevent that loss of trust. There are alternatives outside of

discounts you can offer this BFCM that maintain customer relationships and help you build better experiences.

Although 76% of customers said they feel positive about brands that offer discounts, alternatives (like loyalty points, exclusive experiences, and free shipping) weren't far behind.

77%

feel positive about brands that offer loyalty points they can redeem against future purchases

72%

feel positive about brands that give early access to sales

By their nature, these alternative incentives don't just give you a chance to avoid sitewide discounts. They also grow the LTV of your BFCM customers at a time when positive sentiment towards your brand could be easily eroded.

*Get part one of The discounting playbook now
to see all the alternative incentives you can offer
and how customers feel about them*

Or, keep reading for ways to build these alternatives into your BFCM strategy using all aspects of your Martech stack. Enjoy.



From **our research**, we've identified examples of alternate incentives that will help you to protect your profit margins while boosting LTV. These incentives will also help you create emotional connections with shoppers over BFCM (and long into the new year too).

Here's how to effectively deploy some of our favorites to improve the long-term impact of your BFCM strategy.

1. Loyalty points that can be redeemed for discounts

73% said loyalty points that they can redeem against future purchases would encourage them to purchase this BFCM.

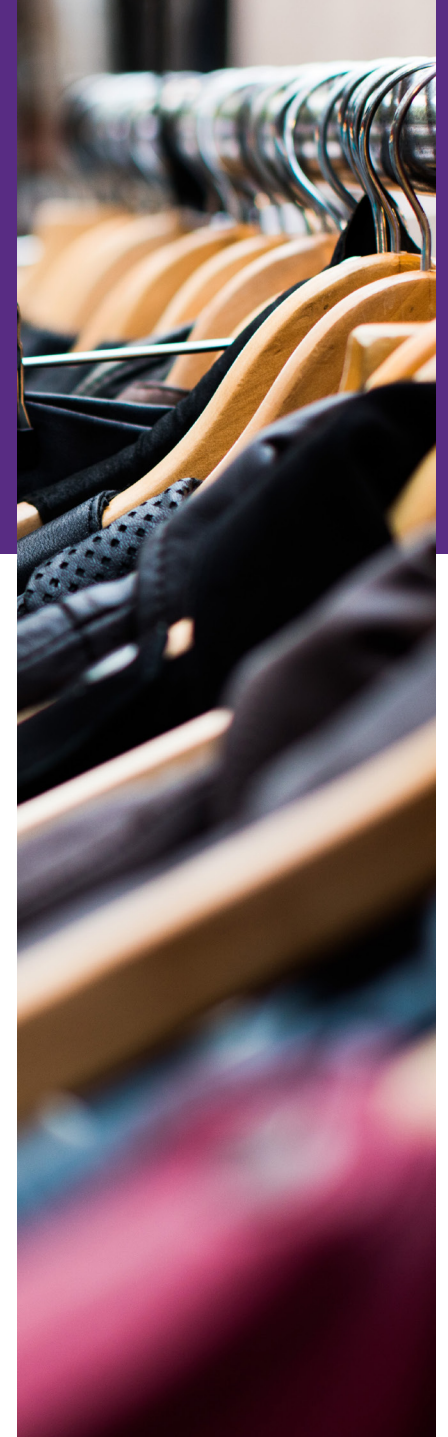
Unlike the messy clearance sections of days gone by, points offered through a loyalty program don't cheapen your brand or products. Customers have put something in themselves (like buying a product or engaging with your brand) to earn their discount.

This benefits you. Customers that redeem rewards through a loyalty program have a **164%** higher annual spend than non-loyalty program members. These customers aren't only here for your bargain rail. They stick around all year to spend and earn rewards.

HOW TO USE LOYALTY POINTS MORE EFFECTIVELY THIS BFCM

Run double point events

Instead of sitewide discounts for all this BFCM, stick to using reductions to get new customers through the door. Meanwhile, offer alternative incentives such as double point events to your loyalty program members. You could apply bonus points for loyal customers to the same products you're applying discounts to for the wider market.



This helps you keep your existing customers purchasing, without negatively impacting their average order values. Simultaneously, it means you can deliver a dose of positive feelings as they see their points balance spike. That spike is also more likely to translate into future purchases.

FARMACY

MEMBERS-ONLY EVENT!
6 DAYS ONLY!

**3x POINTS =
3x REWARDS**

With triple the points for every \$1 you spend,
earn rewards like \$ off future orders
+ free gifts faster than ever!*

LOG IN + EARN NOW



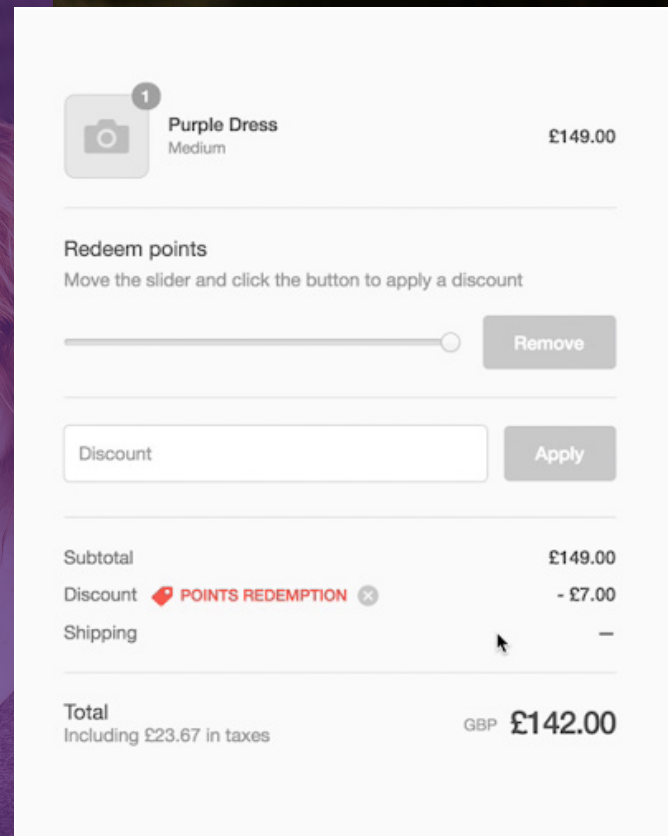
Farmacy Beauty, for example, runs promotions where program members get triple the points for every \$1 they spend.




Make point redemption easy

Make it simple for customers to redeem their earned discounts while they're shopping this BFCM.

This is especially important as **87% of online shoppers** say they abandon their shopping carts if the check-out process is too difficult. If you offer Black Friday shoppers a bad experience at the point of purchase, it's unlikely they'll return to you outside of the sales.

Add a **points slider** to your basket to allow customers to redeem their points as part of their transaction. This both improves the check-out experience and increases their average order value (AOV).



	Purple Dress Medium	£149.00
Redeem points Move the slider and click the button to apply a discount		
<input type="range"/>		<button>Remove</button>
<input type="text" value="Discount"/>		<button>Apply</button>
Subtotal		£149.00
Discount	 POINTS REDEMPTION 	- £7.00
Shipping		—
Total Including £23.67 in taxes		GBP £142.00



2. Early access to sales and new products

70% of customers say that early access to sales and 69% said early access to new products would motivate them to make a purchase over BFCM

79% of online shoppers say they're loyal to brands if they can unlock exclusive benefits. This year, supplement discounts with experiences for existing customers. Start by offering your most valuable customers early access to your BFCM sales or to exclusive products.

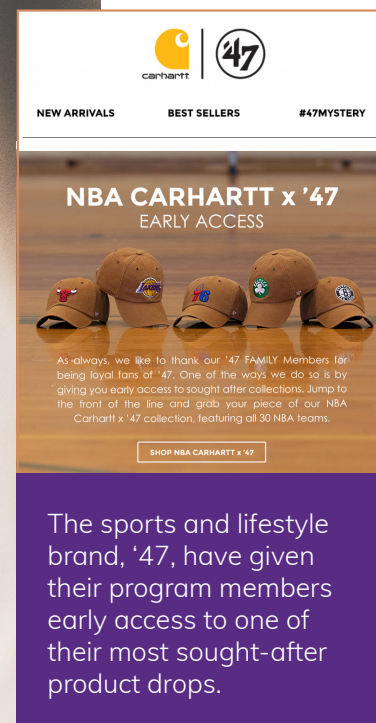
Not only will access to these perks make customers feel like VIPs, but you also get the opportunity to prove you prioritize customer experiences over BFCM sales figures.

HOW TO DELIVER EARLY ACCESS TO SALES AND NEW PRODUCTS THIS BFCM

Segment and surprise your existing customers

Leading up to BFCM, take a look at your customer base and pinpoint who your most loyal customers are. They could be the ones with the highest repeat purchase rates or those who refer you to friends the most often. Next, move this segment into a top-tier of your loyalty program where they can unlock exclusive experiences in the run-up and over Black Friday. These could include early access to your BFCM sale or exclusive access to certain products.

This will prevent you from relying on discounts to convert this cohort over the peak because you're replacing the feel-good factor of low prices with the excitement of exclusivity. It also secures their ongoing engagement as they strive to retain their new tier status.



The sports and lifestyle brand, '47, have given their program members early access to one of their most sought-after product drops.



And, The Pulse Boutique has previously given its "pulse perk members" exclusive access to a 50% BOGO sitewide sale.

Exclusive product bundles

If you haven't got a new product you can give early access to over BFCM, you could instead try a Black Friday product bundle, accessible only to loyalty program members.

This allows you to pass on the benefits of buying multiple products together to your most valuable customers, without cutting the prices of your cash cows. It also serves a greater retention purpose. Bundles make sure that customers return to replenish different parts of the bundle in future.



3. Free or discounted shipping

76% of customers said free or discounted shipping would encourage them to buy from a brand this BFCM

Free shipping allows you to replicate the feel-good factor of a financial reward without cheapening your products or brand by applying discounts.

HOW TO EFFECTIVELY SET UP FREE OR DISCOUNTED SHIPPING THIS BFCM

Vary your shipping perks

This year, rather than offering free shipping as a broad stroke perk, give customers different options based on their previous loyalty to you.

For customers who have only purchased from you once, add a sitewide discounted shipping perk. But, for long-standing members of your loyalty program, motivate them to purchase by giving them entirely free shipping.

Though there are still financial implications to providing free or discounted shipping, segmenting your customers allows you to limit the impact, while still providing a compelling alternative incentive to sitewide discounts.

The healthcare brand, **Happy Mammoth**, gives customers in their second tier free shipping on orders over \$90. But, when shoppers move into the Gold and Insider tiers they get lifetime free shipping on all their orders.

Level 1: BRONZE VIP	Level 2: SILVER VIP	Level 3: GOLD VIP	Level 4: INSIDER VIP
1 Happy Points per \$1 spent	2 Happy Points per \$1 spent	3 Happy Points per \$1 spent	4 Happy Points per \$1 spent
<input checked="" type="checkbox"/> Give \$15. Get \$15 worth of Happy Points for Referring Your Friends, Family and Trusted Associates	<input checked="" type="checkbox"/> Give \$15. Get \$15 worth of Happy Points for Referring Your Friends, Family and Trusted Associates	<input checked="" type="checkbox"/> Give \$15. Get \$20 worth of Happy Points for Referring Your Friends, Family and Trusted Associates	<input checked="" type="checkbox"/> Give \$15. Get \$30 worth of Happy Points for Referring Your Friends, Family and Trusted Associates
<input checked="" type="checkbox"/> Access to VIP Product Launch Pricing before the general public	<input checked="" type="checkbox"/> Access to VIP Product Launch Pricing before the general public	<input checked="" type="checkbox"/> Access to VIP Product Launch Pricing before the general public	<input checked="" type="checkbox"/> Access to VIP Product Launch Pricing before the general public
<input checked="" type="checkbox"/> Birthday Offer	<input checked="" type="checkbox"/> Birthday Offer	<input checked="" type="checkbox"/> Birthday Offer	<input checked="" type="checkbox"/> Birthday Offer
<input checked="" type="checkbox"/> Free Shipping on all Orders Over \$90	<input checked="" type="checkbox"/> Free Shipping on all Orders Over \$90	<input checked="" type="checkbox"/> Lifetime Free Shipping on ALL Orders	<input checked="" type="checkbox"/> Lifetime Free Shipping on ALL Orders
<input checked="" type="checkbox"/> Priority Customer Support	<input checked="" type="checkbox"/> Priority Customer Support	<input checked="" type="checkbox"/> Priority Customer Support	<input checked="" type="checkbox"/> Priority Customer Support
<input checked="" type="checkbox"/> Exclusive Membership pricing	<input checked="" type="checkbox"/> Exclusive Membership pricing	<input checked="" type="checkbox"/> Exclusive Membership pricing	<input checked="" type="checkbox"/> Exclusive Membership pricing
<input checked="" type="checkbox"/> Access to selected company Video Insider Calls	<input checked="" type="checkbox"/> Access to selected company Video Insider Calls	<input checked="" type="checkbox"/> Access to selected company Video Insider Calls	<input checked="" type="checkbox"/> Access to selected company Video Insider Calls



4. Contribution to a charitable initiative

62% of customers said they would purchase from a brand this Black Friday if they could contribute to a charity or initiative that's aligned with their personal values

Emotional alignment is key over this year's BFCM peak as more customers want to shop mindfully:

- **84% of consumers** say it is important that a company supports charitable causes
- **Half of Americans** say that they would switch to a company that supports a cause they believe in

But, 60% of customers felt that brands focus too much on selling products over BFCM rather than supporting causes or living their values. There's an opportunity here to exceed customer expectations.

Showcase your brand values this year and let your customers engage with a charitable initiative that's aligned with their passions.

TIPS TO LET CUSTOMERS CONTRIBUTE TO CHARITY INITIATIVES THIS BFCM

Use custom rewards to demonstrate your commitment

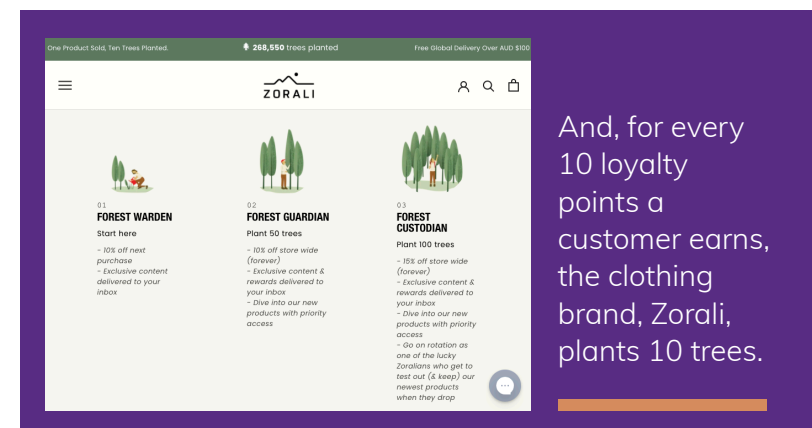
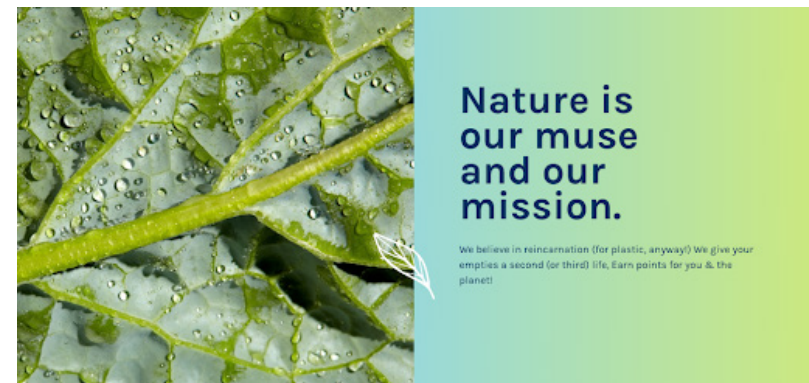
Through your program, offer points to shoppers for completing good deeds.

This approach brings two-sided benefits.

Firstly, it gives an alternative motivation for shoppers to purchase outside of reduced prices.

Secondly, it demonstrates you haven't neglected the values you stand for because of the sales. This shows customers that your brand is worth connecting with longer-term which will drive more engagement and repeat purchase in future.

Pacifica Beauty gives customers loyalty points for returning empty packaging back to the brand to be recycled.





Author: Anna Bray, Marketing Lead, EMEA



Free gifting thresholds with Shopify Scripts

During BFCM more and more shoppers are seeking value over pure price plays. Automated free gifts as cart value exceeds a certain threshold will reward your customers without discounting your core product line.

Customizing seasonal promotions on your ecommerce site is made easy with the help of **Shopify Scripts**. Using the Script Editor app, you can create scripts that run each time a customer adds items to their cart – **including a free gift with purchase** – to reduce shopping cart abandonment and increase average order value.

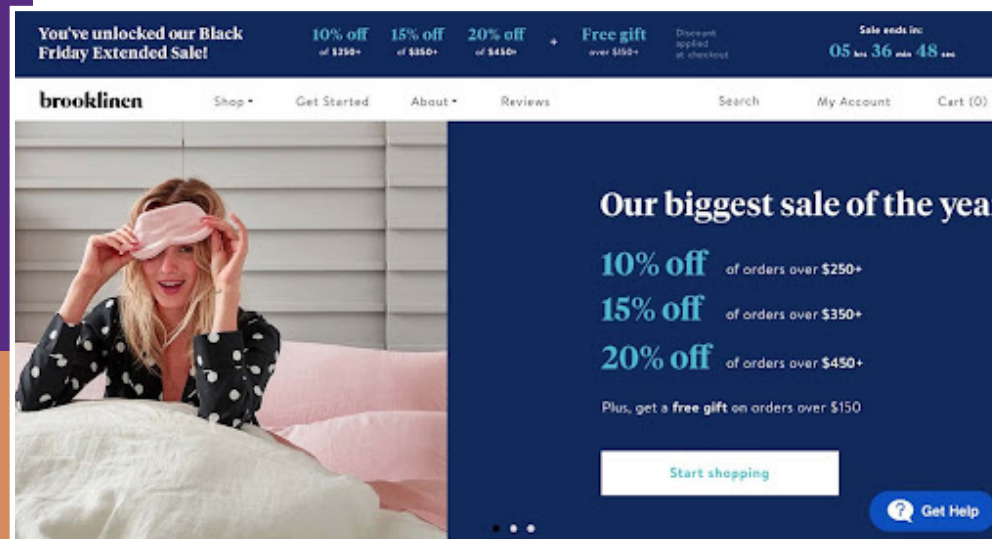
This is the approach Brooklinen took during Cyber Monday. Thanks to a custom Script, customers saw an overlay appear over their screen, offering a free gift choice as soon as their cart exceeded the first threshold of \$150.

Timing is everything: automate your “welcome” with Shopify Flow

For 64% of retailers, shoppers acquired during BFCM have a lower lifetime value (LTV) than shoppers acquired at any other time of the year. Use Shopify Flow—a built-in automation program inside Shopify Plus—to perfect your welcome email series and to help you focus on loyalty and drive repeat buying.

Timing is important. Avoid bad brand impressions, and customer service questions by setting up your welcome campaign to arrive on the exact same day a customer receives their package. **This Flow** template guarantees a post-product experience happens the same day your product arrives into your customer’s hands by using a fulfillment event status trigger. So the moment your fulfillment partner alerts you of delivery, your onboarding campaign is delivered to the customer.

See other ways to automate your BFCM with Shopify Flow [here](#).





Drop products, not prices: schedule it all with Shopify Launchpad

One thing is certainly true: BFCM starts earlier and goes longer. **In a 2020 survey** of Shopify Plus brands we found that about 66% of those who were participating in BFCM planned to kick off sales the week before the event, and about 33% plan to extend their sales to the week after BFCM.

Multiple drops or launches can seem like an overwhelming amount of organization, but scheduling all your BFCM activations ahead of time via **Launchpad** means you can focus on service and fulfilling orders, rather than keeping your customer base engaged.

After **setting up your Launchpad event**, you can use this **Flow Template** and adjust the Klaviyo settings to connect the Flow to the correct email campaign. Then, the moment your Launchpad event goes live, Flow will automatically trigger Klaviyo to send emails to your subscribers, letting them know that your sale has started.

About Shopify Plus

Shopify Plus powers many of the world's fastest-growing brands including Gym Shark, Allbirds and Lounge Underwear. Shopify Plus is a commerce platform that aims to couple speed and agility with the scalable foundation businesses need to grow bigger faster.





Author: Aubrey Harper, Content Strategist, EMEA

Vary your discount strategy with alternative incentives

A BFCM giveaway as a welcome offer is just one way to sweeten the deal for your customers without losing a percentage of your profit margin. Finding compelling offers that add value for your customers will depend on your business, but here are some options to think about offering this BFCM:

- Contests
- Free gifts
- Free samples
- Free shipping
- Access to special content and resources

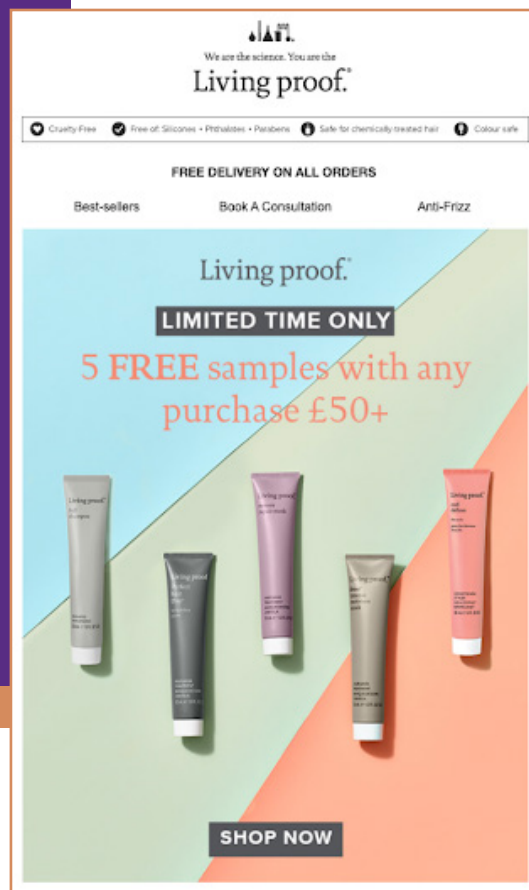
For example, **Living Proof gives customers free samples with purchases**. This has the added benefit of exposing customers to new products they might love and eventually repurchase after your BFCM sales are over.



Rethink (and test) your welcome offer

A welcome offer is an inciting tactic to motivate your BFCM website visitors to hand over their email addresses which you can use to re-engage them after the peak.

Because a wide audience receives this offer, carefully consider and test what the optimal option is for your customers. One brand, Brava Fabrics, ended up with surprising results that ultimately benefited their profit margins.



We used to offer a 10% discount if people subscribed. But when we tested a contest where people could win €300 in free products for signing up, we discovered the **two offers performed identically**.

Ivan Monells,
Brava Fabrics co-founder

By giving one customer a single gift card, the brand ultimately saved money, without sacrificing their **conversion rate**.

FREE SHIPPING ON AUS ORDERS OVER \$80

NAKED HARVEST

PRE-WORKOUT PROTEIN WELLNESS ESSENTIALS

WANT

10% off?



Review your favourite Naked Harvest Supplements purchase and receive 10% off your next order!

Brynley, thank you for being a loyal member of the #NHgang community. We appreciate your support and most importantly, we value your feedback. Recently you purchased some NH goodies, and we'd love to hear what you think.

Your opinion really does matter to us, and at NH HQ, we value our reviews as a way to better understand how we can improve our products. If you could spare one minute, please leave a review on your recent purchase below, and we'll send you a 10% discount, to redeem off your next purchase!

Thank you for shopping with us,
Georgie and Coopa xx

Offer incentives for high-value actions

When you offer a customer an incentive, your brand should always get something valuable in return. Most commonly, a discount increases the likelihood someone will make a purchase.

But there are other high-value actions you can reward your customers for over BFCM that are more valuable than a one-time purchase.

Naked Harvest uses a small incentive to motivate people who have already made a purchase to leave a review. This not only gets the brand a review, but a second purchase too. This takes the customer one step closer to being a loyal brand advocate that returns to the brand long after the BFCM sales are over.

About Klaviyo

Klaviyo is the marketing automation and customer data platform loved by more than 70K brands, helping them drive more revenue through building great relationships with their customers. In fact, in the first half of 2021, Klaviyo's customers saw nearly 100x ROI — so for every \$100 spent with Klaviyo, customers averaged almost \$10,000 in return.





Author: Blake Imperl, Partnership Growth & Insights



What kinds of marketing messages get consumers to buy? It's easy to assume that all shoppers want is a discount, but brands using text marketing are finding other incentives and message types can be just as compelling and lucrative.

Instead of training shoppers to only look for deals, leverage strategies that can add meaningful value and help develop deeper relationships between your brand and customer. Here are three non-promotional marketing strategies that Attentive merchants are using to successfully engage and convert their consumers and drive greater brand loyalty.

Have real, two-way conversations

Engaging your shoppers through two-way conversational SMS will drive more revenue. Our data shows that when consumers text back and forth with a brand, they spend **31% more on average. Plus, they are more likely to buy again.**

Two-way text is also an easy and effective way to collect valuable data about your customers and their preferences, helping you personalize future content to drive repeat action.

Leverage content

Sharing thoughtful content that provides insights into your brand, your employees, and your products will help you stand out from your competitors, deepen emotional connections with your consumers, and build stronger brand affinity.

Research shows that content related to the causes a brand supports is especially effective among younger consumers, with **72% of Gen Z consumers being more likely to buy** from a company that contributes to social causes. And 84% saying they'll actively promote brands that stand up for something they believe in.

Offer complimentary shipping

Products aren't the only place to offer a discount, and complimentary shipping helps shoppers feel like they are getting a great deal. **9 out of 10 consumers** say free shipping is the top incentive to shop online more, and free shipping is proven to drive nearly 30% higher order values.

About Attentive

Attentive® is the most comprehensive text message marketing solution, driving 18.5% of total online revenue for businesses by creating thoughtful SMS experiences. Using real-time behavioral data, Attentive automatically sends engaging text messages to each subscriber at every step of the customer lifecycle.





Author:

Chris Lavoie, Senior Technology Partner Manager



If you're looking to create unique and meaningful experiences with your customers during sales peaks this year instead of just mass blasting discounts, you'll need the right tools to reply quickly and personally across every channel.

Here are three ways a helpdesk can help:

Streamline all customer communications into one place

As a high-growth ecommerce brand, your holiday marketing strategy likely includes multiple channels, including social media, email, and SMS campaigns. And no matter what you're offering your customers this year, whether it be free shipping or loyalty points, you'll need to answer their questions across all of your platforms quickly to keep them engaged.

Having an omnichannel helpdesk that funnels all customer communications into one place will increase your team's efficiency and save you a ton of time from flipping back and forth between tabs.

Prepare pre-written responses

If you're switching up your approach to discounting this year, you'll need to be prepared to answer questions about what's new and how your new offer works. You'll also likely have new customers during the holiday season, as people are purchasing from brands that their friends or loved ones like for gifts.

Make sure your team is well prepared with pre-written responses, AKA **macros**, that address your most frequently asked questions as well as details about your new offer.

With a helpdesk you can have these macros ready to go within customer tickets, so the right response only takes a click or two from your team.





Use machine learning to detect customer sentiment

Using a helpdesk with machine learning will help you make sure any questions customers have about your holiday discount alternatives are answered quickly. For example, you can set a tag so that when the word “discount”, “offer” or “points” is mentioned, it’s automatically sorted into an urgent section of your helpdesk.

You can also use rules to have your helpdesk automatically answer and close customer tickets with common questions such as “Where is my order?”, and have the response pull in the customers first name, order number and tracking link. This will help free up your team’s time to focus on customer questions that need a more human touch.

About Gorgias

Gorgias is a leading helpdesk for Shopify, Magento, and BigCommerce merchants where retailers can manage all of their customer communication and tickets in one platform (email, social media, SMS, live chat, and phone). It’s powered with machine learning to automate up to 25% of commonly asked questions and seamlessly integrates into your existing tech stack to deliver better customer support.



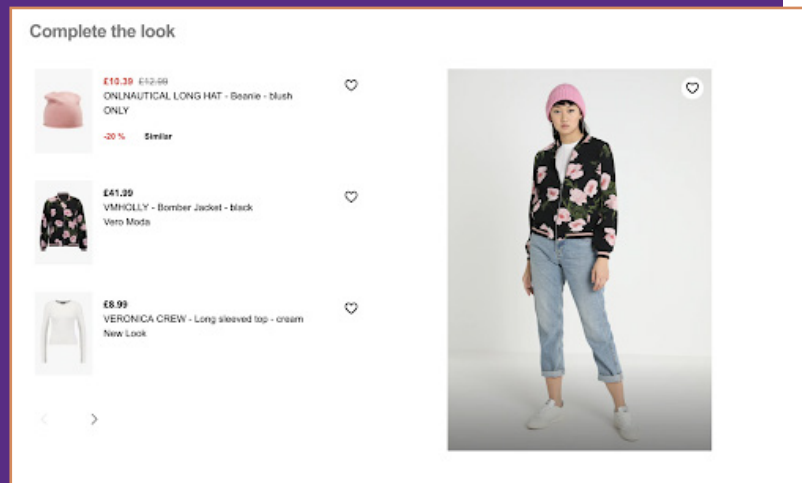


Author: Jake Chatt, Head of Brand Marketing



Leverage dynamic bundles to tie discounts to a heightened average order value (AOV)

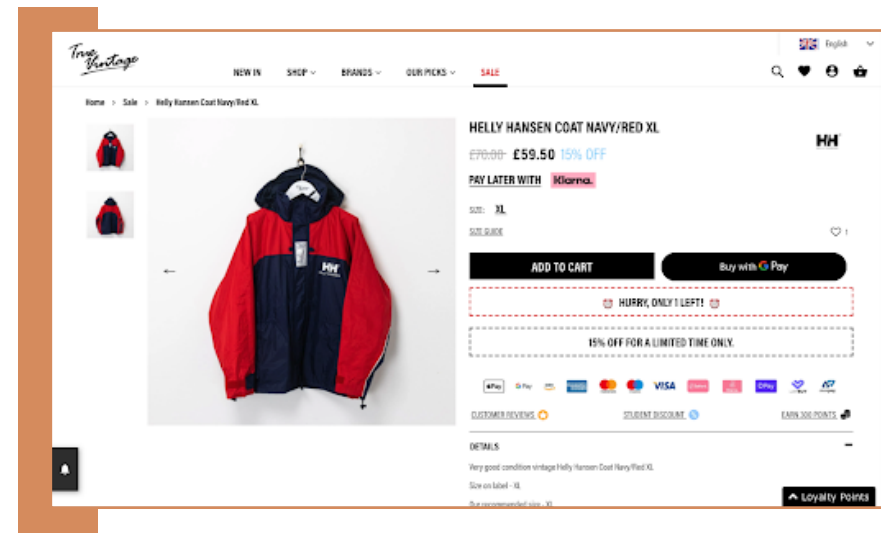
By creating **custom bundle recommendations** for shoppers on product detail pages, you can convince them to actually spend more than the average shopper does on your site while also giving them a deal. This strategy involves building recommendations with custom filters that create a set of complementary products when viewed together.



Once shoppers add the entire set of products to their cart, you can then apply a discount. This will lead to more shoppers having higher order values than if they were to only buy the single product whose detail page they were originally on.

Lean into FOMO messaging to create urgency without sacrificing margin

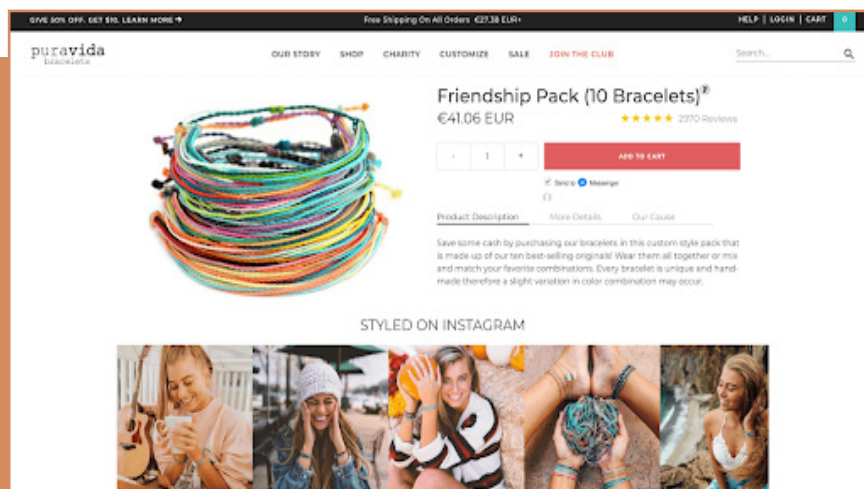
There are ways to create urgency and drive conversion outside of discounts. One of the most successful strategies retailers have been leaning into recently is leveraging **Fear Of Missing Out (FOMO) messaging**.



Showcasing information like how much stock is left of a product or how many other shoppers have purchased a product that day naturally sparks something in shoppers' brains. It makes them purchase out of the worry they won't have the opportunity to later on when they finally decide they want the item.

Leverage your community to offer added value on top of your products

Finally, there are deals that can come with products that don't have any monetary value but are still highly valuable to shoppers. One example of this type of deal is the inclusion into a community.



Your customers are a community who feel a sense of shared identity based simply on the fact that they purchase your products. Showcase this community with **personalized visual user-generated content** and testimonials at pivotal moments to ensure shoppers see the non-monetary benefit of becoming a customer themselves.

About Nosto

Nosto enables retailers to deliver personalized digital shopping experiences at every touch point, across every device. A Commerce Experience Platform designed for ease of use, Nosto empowers retailers to build, launch and optimize 1:1 omnichannel marketing campaigns and digital experiences without the need for dedicated IT resources or a lengthy implementation process. Leading commerce brands in over 100 countries use Nosto to grow their business and delight their customers.

nosto 

Brightpearl

Author: Alex Weston, Channel Account Manager



Promotions are a huge part of the peak season, and are especially vital for differentiation and acquiring new customers. But when considering discount strategies, you have to be cognizant of profitability to avoid straining all of your resources, but not making any money.

If discounting on products doesn't make financial or strategic sense for your business there are plenty of opportunities for discounting and promotions that go beyond the actual products as well. Maybe this is a good opportunity to offer free or discounted shipping, flexible fulfillment options, or implement a solid returns strategy.

Let's start with flexible fulfillment options

We see brands gaining attention with offers such as Buy Online Pickup In Store (BOPIS) or curbside pickup. Our recent research indicates that one in four retailers plan to adopt blended experiences such as BOPIS, click and collect and curbside pickup this year.

BOPIS plays a huge role in shoppers' plans that want the guarantee of getting their item on time without the unknowns of shipping. It also helps shoppers and merchants alike avoid costly shipping fees.

Use flexible shipping options to grab attention and make for an awesome customer experience

With COVID restrictions still in place in many areas, last minute shopping probably won't be a rush to the shops on Christmas Eve or waiting in lines for massive Black Friday sales. Instead, there will be a mad rush to online shops with the expectation of speedy online deliveries.

Research between Parcelhub and Brightpearl shows that nearly **half of consumers** have had at least one bad experience related to delivery and tracking within the last year. Additionally, **47% of retailers agree** they lose customers due to missed or failed deliveries.

As we head into the peak season in 2021, you need to meet the promises set on your website to acquire loyal customers. We know delivery choice can influence whether a consumer chooses to purchase or not. And the vast majority of consumers say that free delivery will encourage them to shop with a brand. Plus, nearly half say that next day delivery would influence them in the same way.

Implement automated returns process to offer special holiday policies without burdening your day-to-day operations

44% of consumers say an unsatisfactory returns policy would result in abandoning a retailer. On top of that, **holiday return rates** are as high as 30%.

To manage this increase, offer things like longer return windows, different options for shipping items back, and free returns to provide the best shopping experience. There is no better time than now to think about returns policies, and make sure that your process for returning goods isn't a bottleneck to your operations.

About Brightpearl

Brightpearl is an Operations Platform for retailers and wholesalers. They automate the back office so merchants can spend their time and money growing the business. Their solution includes financial management, inventory and sale order management, purchasing and supplier management, CRM, fulfilment, warehouse and logistics. In addition, the solution has high-performing connectors to the major ecommerce platforms, including Magento, BigCommerce and Shopify.

Brightpearl





Author: Jeremy Horowitz, Director of Marketing



Plan your holiday success

Looking to provide your customers with a great shopping experience and add more dollars in your pocket this holiday season? The fastest-growing brands we work with achieve this by planning their offers – both to make sure their customers love the deal, and they hit their profit targets.

Avoid the discount margin trap

No matter what offers you run, there are three key metrics you need to closely track to make sure your promotions aren't too sweet and that you actually end up making money during the holidays:

- Gross Margin ([explainer video](#))
- Cost Per Acquisition ([video link](#))
- Contribution Margin ([video link](#))

Plan Your Margins - Part 1

	Product 1 Full MSRP	Product 1 10% Off	Product 1 15% Off	Product 1 20% Off
Sales Price	\$100	\$90	\$55	\$80
Gross Margin	\$50	\$40	\$35	\$30
CPA	-\$30	-\$29	-\$27	-\$25
Profits	\$20	\$11	\$8	\$5

Here's a simple way to analyze the impact of different promotions on your profits.

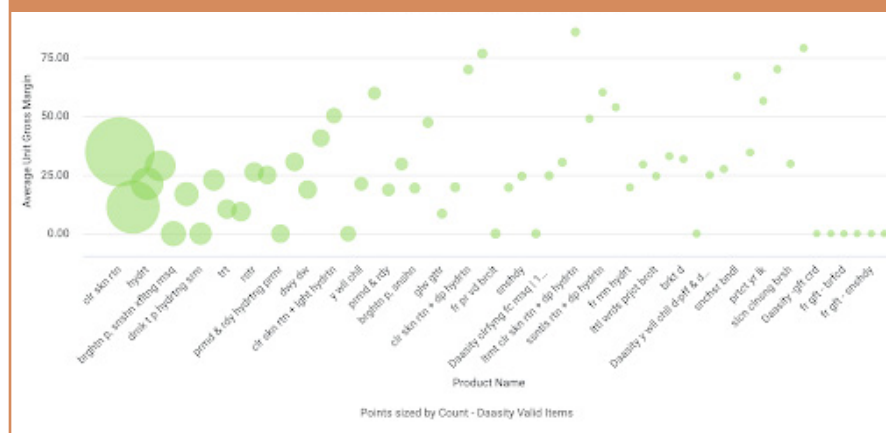
As you can see, even if there's an improvement in CPA from deeper discounts, when you add it all up, those discounts significantly impact profits. This leads us to our first recommendation:

Bundle up

What's the best way to offer a deal and maintain your profits? Offer customers a bundle offer where they save money the more they spend. But how do you pick the best products to bundle? What's the right balance of popular and complementary products to find that sweet spot?

The answer: analyze your historical sales data to identify which products have the right balance of volume and margin.

Screenshot of the Low and High Margin Products dashboard from Daasity.



The High-Volume/High-Margin items are most likely your best sellers. Your opportunity is to find the Low-Volume/High-Margin items and add them to a bundle of your High-Volume/High-Margin items.

By presenting customers with a bundle containing a profitable addition, you'll raise AOV and increase profitability.

Plan Your Margins - Part 2

	Bundle 1 Full MSRP	Bundle 1 10% Off	Bundle 1 15% Off	Bundle 1 20% Off
Sales Price	\$100	\$135	\$128	\$120
Gross Margin	\$75	\$60	\$53	\$45
CPA	-\$30	-\$30	-\$30	-\$30
Profits	\$45	\$30	\$23	\$15

As you can see, the same analysis as before becomes significantly more profitable with bundles, even in the worst case scenario of CPA remaining the same across bundle offers with deeper discounts.

Give truly unique gifts

Everyone loves telling stories about their holiday gifts, and there are few better sales drivers than urgency and scarcity. This is why we are seeing more of our brands drop limited edition products during the holidays.

Take your best selling items and create limited edition versions that are only available during the holidays. Create a unique version of your hero product: you can modify the color, design, material, add-on(s), etc, and drop the new product on your most important sales day of the year.

This unlocks two major sales opportunities:

- Rewarding your HVCs (High Value Customers) with a product they'll want to add to their collection
- Motivating fence sitters (list subscribers who haven't purchased) with something unique that will motivate them to spend

Some of our brands even offer special pricing for the limited edition items. This makes deal seekers still feel like they are getting a bargain. Other brands will grant their HVCs early access to limited editions as a reward for being loyal customers.

About Daasity

Daasity enables ecommerce brands to make better data-driven decisions, leading to faster and more profitable growth. Daasity centralizes a brand's data into a working data model, so users can easily analyze and push their data into their key marketing channels to get more from their data.





Author: Richard Ball, Marketing Manager

Dangle a carrot – offer discounts in return for video reviews

Sitewide discounts appeal to bargain hunters – otherwise known as one off purchasers unlikely to shop with you until next BFCM. As an alternative, offer deals to your existing customers in return for valuable user-generated content (UGC).

Those that have shopped with you before, and have left a positive review, are already invested in your brand. Leverage this by asking them to add a video of their purchase to that review, using a Black Friday discount as an incentive.

They get an exclusive offer, boosting their loyalty, and you get engaging content that will encourage new customers to convert at full price.

Focus on the end game – mo' sales, mo' content

If you are running discounts across your store, make them count. More sales means more opportunity to collect reviews, so when the sales season's over, you've got conversion driving social proof on every product page.

Have a post-sales strategy in place. Make sure customers can't check out as guests, and that they're



sent a review request once they've had time to experience the product. You can use our Flow feature to create automated email sequences, either to follow up with those yet to respond, or to ask for videos from those that have left a positive review.

Keep the returns down – support purchase decision with review attributes

Sales are great if your products meet expectation. But if they don't, you're left with the cost of dealing with returns. Prevent this by doing the groundwork in the run up to BFCM, adding product and customer attributes to review collection.

For example, a customer states their height and build, and rates a product's fit – too small, too big, or true to size? You can also include additional questions in review requests to provide further product insight.

This kind of information helps shoppers choose items that meet their needs, meaning there's less chance they'll send their BFCM purchases back.

About Reviews.io

Reviews.io is loved by over 8,000+ e-commerce stores, Reviews.io is the highest rated product review solution on G2 crowd.





CONCLUSION

After reading this playbook, we hope you're going to think about BFCM differently this year.

BFCM 2021 isn't only an opportunity to acquire new customers. It's also the prime time to deploy alternatives alongside discounts that protect your profit margins and simultaneously strengthen customer relationships. Plus, these alternatives will build the LTV of your existing customers over time.

In the end, the BFCM strategies that historically might have only made a short-term impact will instead benefit your brand long-term.

On top of changing your perspective, we hope it's given you everything you need to use your whole marketing suite more effectively ahead of and during the BFCM season.

Time to put it all into action. You've got this.



About LoyaltyLion

LoyaltyLion is a data-driven loyalty and engagement platform, helping fast-growth ecommerce merchants power longer-lasting relationships and sustainable growth. Our unique combination of best-in-class technology and dedicated loyalty expertise helps thousands of Marketers drive more revenue from highly engaged, highly valuable customers.

Want to discuss with a customer loyalty expert about launching a loyalty program in time for BFCM? [Schedule a time to talk to a member of our team here.](#)





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